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E-Filed on 5/8/07

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UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:

USA Commercial Mortgage Company
06-10725 – Lead Case

USA Capital Realty Advisors, LLC
06-10726

USA Capital Diversified Trust Deed Fund, LLC
06-10727

USA Capital First Trust Deed Fund, LLC
06-10728

USA Securities, LLC
06-10729

Debtors.

Jointly Administered

Chapter 11 Cases

Judge Linda B. Riegle Presiding

**MOTION TO EXTEND DEADLINE
TO FILE OBJECTION TO
ALLOWANCE OF CLAIMS**

Date: May 31, 2007

Time: 9:30 a.m.

Affecting:

.. All Cases

or Only:

× USA Commercial Mortgage Company

.. USA Capital Realty Advisors, LLC

.. USA Capital Diversified Trust Deed Fund, LLC

.. USA Capital First Trust Deed Fund, LLC

.. USA Securities, LLC

The USACM Liquidating Trust (the “USACM Trust”) moves this Court for an order pursuant to 11 U.S.C. § 502(b) and Bankruptcy Rule 3007 enlarging the deadline for filing objections to Allowance of Claims, and in particular unsecured claims, for 120 days, or until October 9, 2007. Pursuant to the Debtors’ Third Amended Joint Plan of Reorganization [DE 1799] confirmed by the Court, the deadline for such objections is 90 days after the Effective Date of March 12, 2007, which is June 10, 2007. Pursuant to a motion recently granted by this Court, this is the same deadline for objecting to claims



1 arising out of rejection of executory contracts and unexpired leases. This Motion is based
 2 upon the following Memorandum of Points and Authorities and is supported by the
 3 Court's record and the declaration of Edward M. Burr filed this date.

4 **MEMORANDUM**

5 **Background**

6 On January 8, 2007, this Court entered its Order Confirming the "Debtors' Third
 7 Amended Joint Chapter 11 Plan of Reorganization" as modified herein (DE 2376). Notice
 8 of Entry of the Confirmation Order was filed on January 9, 2007, and served on January
 9 11 and 12, 2007 (DE 2387).

10 Section VII A.1 Objection to Claims of the Plan provides:

11 Unless otherwise extended by the Court, objections to the
 12 allowance of Claims and Equity Interests shall be filed and
 13 served upon the entities asserting such Claims or Equity
 14 Interests as follows: (A) for any and all Claims and Equity
 15 Interests to which the General Bar Date applies, ninety (90)
 16 days after the Effective Date....

17 Accordingly, the deadline to file an objection to such Claim is 90 days after the
 18 Effective Date of March 12, 2007. Therefore, the deadline to file an objection to Claims is
 19 June 10, 2007.

20 Pursuant to a motion of the USACM Trust recently granted by this Court, the same
 21 deadline will be set for claims arising out of rejection of executory contracts and unexpired
 22 leases.

23 Approximately 2,465 proofs of claim have been filed claiming: \$2,812,293.40 as
 24 administrative; \$286,969,330.16 as secured; \$4,479,076.12 as priority; and
 25 \$453,310,042.10 as unsecured. This compares to approximately 2,319 scheduled claims:
 26 \$169,742 priority and \$59,353,361 unsecured. The claims filed are complex and require
 in depth investigation. The June 10, 2007 deadline does not allow sufficient time for the
 Trustee to review, investigate, analyze and resolve disputes on the claims.

The June 10, 2007 deadline to object to General Unsecured Claims should be extended to allow the USACM Trust to continue its diligent efforts in the analysis and potential objection to the Claims. At this time the USACM Trust has filed:

- 33 omnibus objections to 1,600 claims filed as secured that asserted claims of over \$296,000,000;
- 3 omnibus objections to approximately 108 claims asserting priority status;
- Objections to commission claims asserting priority status;
- Objections to 3 claims asserting administrative expense that aggregate over \$95,000.

In addition, Motions to Reclassify Claims of Insiders in Plan Class A-7 were filed against 3 claimants and other objections were filed on the ground that Debtor has no liability.

Further, as the USACM Trust has received information, it has entered into stipulations for the allowance and disallowance of priority and unsecured claims.

There are large baskets of unsecured claims at issue. Some are large, discrete claims of borrowers and others asserting commercial litigation types of claims. The vast majority are claims of direct lenders asserting losses arising out of direct loans. The latter can not be analyzed except on a loan by loan basis, preferably after the loans have been collected, a process that will take a number of months.

Discussion

Bankruptcy Rule 9006(b)(1) provides that as except as otherwise provided by the Rule:

when an act is required or allowed to be done at or within a specified period by the rules or by a notice given thereunder or by order of court, the court for cause shall at any time in its discretion (1) with or without motion or notice order the period enlarged if the request therefore is made before the expiration of the period originally prescribed or as extended by a previous order or (2) on motion made after the expiration of the specified period, permit the act to be done where the failure to act was the result of excusable neglect.

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1 None of the exceptions in Rule 9006(b)(2) or (3) apply here. Accordingly, the
2 Court may, for the cause shown in this Motion, extend the deadline for filing objections to
3 allowance of claims.

4 **Conclusion**

5 The Committee requests that the Court enter its order extending the deadline to file
6 objections to allowance of claims until October 9, 2007.

7 Dated May 8, 2007.

8 **LEWIS AND ROCA LLP**

9
10 By /s/ RC (#006593)

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